

Nation Indian Gaming Association
Legislative Summit 2012
Washington D.C., July 24th, 25th

July 24th

9:30 – 2:00pm

Internet Gaming Policy Discussion at the National Museum of the American Indian
Rasmuson Theater

Welcome by Ernie Stevens

John Yellow Bird-Steele: President of the Oglala Sioux Tribe

He gave us an overview of the HOT topic at the summit, taxation by the IRS to its Tribal members on the reservation. At current time, there are IRS agents going through their financials and are auditing their members. IRS wants all tribes to 1099 their citizens for any and all financial assistance that they are receiving. He is asking for Tribal leaders to contact their Representatives for a tax reform that would eliminate this type of harassment on reservations and to its citizens.

A non-listed speaker:

He reiterated the point that IRS agents are camped out on the Pine Ridge Reservation and is requiring all payments made by the Tribe to its citizen's to fill out forms declaring all the assistance that they have received. Many comments were made that the IRS is overstepping its boundaries with an attack like this; he also likened these actions taken by the IRS to the US Government taxing citizens to college financial aid, food stamp allotments, or Medicaid services. IRS states that Treaties do not trump the tax laws of the 50's or again the laws in the 80's.

Zeke Fletcher, Attorney for the Gun Lake Tribe

Mr. Fletcher gave an overview/update on the Patchek case and what it means for tribes. He wanted to stress the point that the decision on this case will and does impact tribes nationally. Patchek allows for no statute of limitations in trust cases. He is asking for more tribes ask to be included in larger work groups.

Del Laverdure, Acting Assistant Secretary for Indian Affairs:

He gave the same overview of his department as he did at NCAI Conference in June. Through policy, he would like to reign in on states control when negotiating compacts, so that IGRA has meaning. He and his office are in support of a clean Carcieri Fix, and to restore more homelands through the Trust Application process. He commented on the HEARTH Act that was

just recently passed and is waiting Presidential signature, this opens up the ability for Tribes to lease their trust land. He wants us to join in the conversation in getting the regulations established.

Questions/comments:

- Comment was made that there should be one law that would acknowledge all treaties as laws. Article 6 of the Constitution reads *"This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."*
- Comment was made about the above mentioned tax issue: taxable income, per cap should be exempt from Income Tax. DOJ responded as they do need to address these issues.
- Comment was made that there is an oil boom happening in North Dakota and they are asking for help.

Senator Campbell:

He would like for more interaction between agencies.

No legislation or drafts on iGaming thus far, but said that something might get pushed through fairly quickly. It was in later discussion that I found out that there was back of the house discussion on attaching iGaming legislation to a must pass Cyber Safety Bill that is in the House right now. Hearings on this bill are being heard right now, August 1st. He also made more comments about the taxation issues as well.

Ehren Richardson, Joseph Eve:

He works with tribes and assisting them in strategies concerning iGaming legislation.

Threat: the recent DOJ opinion, and also updated that several states are now working on legalizing iGaming of some sort. Delaware is the first to legalize iGaming within their state.

Threat: 4 other proposed legislation now sits in 5 states.

Opportunity: We have a real opportunity to engage with customers through social games, there will be a huge impact on the younger generation through these portals.

55% have smart phones, 100 million have iPads/tablets...much can be done with mobile apps to wrangle in this population of social gamers, with a larger number of 44-54 year olds also purchasing smart phones. 64% of the usage is for mobile social gaming. Smartphones will soon out do the laptop/desktop in coming years. More and more people will be accessing the internet with only their smart phones. We as tribes need to focus on:

- Engage Gamers

- Attract the next generation of gamers
- Drive up our visitation to our brick and mortar operations

Representative from the Kahnawake Nation:

This was an informative power point presentation on their current iGaming business. They have had iGaming for the past 13 years, regulations were enacted in 1999. Their process of a single server allows the plug to be pulled in the event of a violation. All operators must be licensed under the Tribes regulations. I have been inquiring to different sources to obtain a copy of this presentation.

Lunch

Tracie Stevens, NIGC Chair

She gave us the same update that was sent out over email prior to attending this meeting. She is also stressing for Tribal input when creating regulations. They want to know how they will impact our area. They want to know what will work for all tribes.

Ayesha Khanna, Counsel & Policy Advisor to Majority Leader Reid:

Reid is bringing iGaming legislation forward, he wants to make sure that it has structure by making it a properly ran and regulated business. He also wants to make Tribes are in no way disadvantaged or restricted from entering the space. Although they are not quite ready to bring it forward. They still need 60 votes and they have strong democratic support. He is looking for a bill that is regulated by the state but over seen by the Federal Government. Tribes want access to the proposed bill prior to being introduced, but she said that they do not have one to share at this point.

Jamie Humingbird, Director of the Cherokee Indian Gaming Association:

We have to be prepared, as regulators. We have to be aware that states have moved forward within their state boundaries already. We have to be active, be prepared to voice our opinion. We need to perform an internal performance review in order to know what we need in order to be up and running the moment it is legal. He also stressed the importance of us working with our regulatory to become prepped for the ensuing legalization of iGaming.

Reception at the Capitol Visitor Center 5:30-7:30

July 25th,

Congressional Speakers 9am to 2pm

628 Dirsken Senate Office Building

Congress Pallone, Democrat from New Jersey

Resources Commission and also Chairs the Native American Caucus

Lisa Jackson (EPA) Obama said cabinet members should reach out to Indian Country. Carcieri: Democrats moved Rep. Dale Kildee's bill, but there is no movement on that bill. We need to ask for movement in order for a fix.

Hearth act: Resources Commission pushed this act in order for tribes to be able to lease their land and it is ready for the President's signature, but more work is needed to address the mineral rights issue that still exists. He also doesn't want to see any restrictions to stand. We also need to stress renewables, non-taxed if we do so. He is phishing tax breaks for such activity. Tax credits have been explored for some renewable and he will keep pushing for those tax credits to be extended. We are falling behind other countries because of those expired tax credits. Low employment is leading more and more state towards legalizing iGaming, New Jersey has legalized sports betting. He feels that Tribal casinos shouldn't be hindered in any way by the movement of iGaming.

Indian Healthcare Improvement Act, Affordable Care Act: upgrades Indian health services, but at the same time, Affordable Care Act expands Medicaid which is helping Indian Country. Also, Indians will be able to buy insurance from the exchange for cheaper price, based on income. GOP continues to repeal this bill and we should be voicing our opinion to stop the appeals process.

Representative Noem, Republican from South Dakota

NLRB is a defender of sovereignty and has obtained 40 more sponsors for their bill and a hearing will be taking place later today at 10am, Education and Workplace Hearing. She has been able to add more funding into some of those bills and she amended the Farm bill to add tribal relations within the USDA. We need to continue to voice our thoughts/concerns on the NLRB issue; we need clarification within this bill to allow for our sovereignty.

Senator Jon Tester, Democrat from Montana:

His top priority is creating jobs, if done right, iGaming can complement our brick n mortar operations and consultations should be had before any movement on the iGaming bills.

Senator Al Franken, Democrat from Minnesota:

Right away he stated he wanted to be involved with Indian Affairs. He stresses economic diversity and job creation, without economic development there are disparities. Gaming has been very import to tribes in all aspects of daily life. He will fight for the protection of our sovereignty!

Representative Tom Cole, Republican from Oklahoma:

With all the discussion about the attachment of iGaming to a cyber-bill, he will not stand behind any back room deal. He will be making sure that others know about that sneaky move. Also IGREA shouldn't be opened up, if it's not broke don't fix it. Carcieri, he has two bills in order to get a fix and feels that we need to be more involved in the next Supreme Court nomination. He believes that the sitting Judges do not have much information concerning Indian affairs. He brings up good analogy about the current tax issue taking place on Pine Ridge! President should be telling the IRS to back off, they are simply overstepping their boundaries.

Representative Joe Baka, Democrat from California:

He is a member of the Hispanic caucus and is asking for more involvement from constituents to voice their opinion. He continues to fight for our sovereignty. He is in support of Rep. Dave Kildee's, H.R. 1234 bill, to address the Carcieri Fix.

Indian Affairs Committee:

Are we ready, concerning infrastructure, some are, and some are not, concerning iGaming. Through developing core principles concerning iGaming, they have created a draft discussion bill and has handed that draft to Ernie Stevens, President of NIGA for review. I can only assume that it will be then distributed out to tribes for further review. It was mentioned that NIGA was going to be emailing this draft out to all Tribal Leaders when returning back to his office.

There many other Congressmen and Congresswoman that addressed the group in attendance, however after the ones we already heard, their comments and speeches were all basically the same. All of them commented on their support to all Native Tribes and their issues. There were two people in attendance that kept asking the same question about the tax issue that was brought up in yesterday's meeting that the IRS shouldn't be inquiring into the assistance that Tribal citizens are receiving from their Tribe.

Adjournment at 2:00pm

I would also like to thank the Council for allowing my travel to D.C. this week so that I may obtain these very important updates on serious issues that will affect all Nations. Miigwetch.